

ORIGINAL

COMMISSIONER DOUG LITTLE'S PROPOSED AME



0000170459

DATE PREPARED: May 18, 2016

COMPANY: Arizona Corporation Commission Investigation into Potential Improvements to its Water Policies.

AGENDA ITEM NO.: 2

DOCKET NO(S): W-00000C-16-0151

OPEN MEETING DATE: May 19, 2016

Amendment to "Policy Statement on Small Water Utility Rate Cases"

INSERT New Paragraph after paragraph #8:

"In order to allow the Commission to fully evaluate the recommendations of Staff in small water utility rate cases, the following information will be included in all future Staff Reports (or testimony if applicable) on Class C,D, and E water rate cases:

1. A Cash Flow Schedule that clearly shows Staff's calculation of free Cash Flow.
2. A schedule that clearly shows how much revenue (in absolute and percentage terms) is generated by the basic service charge and each of the commodity tiers for the Company's present rates, the Company's proposed rates, and Staff's proposed rates.
3. A statement that clearly explains what method Staff used to generate the revenue requirement (Rate Base Rate of Return, Operating Margin, or Cash Flow), and explains why the method used is preferable to the other potential methods."

Make all conforming changes.

Arizona Corporation Commission

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MAY 18 2016

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THIS AMENDMENT:

____ Passed ____ Passed as amended by ____

____ Failed ____ Not Offered ____ Withdrawn